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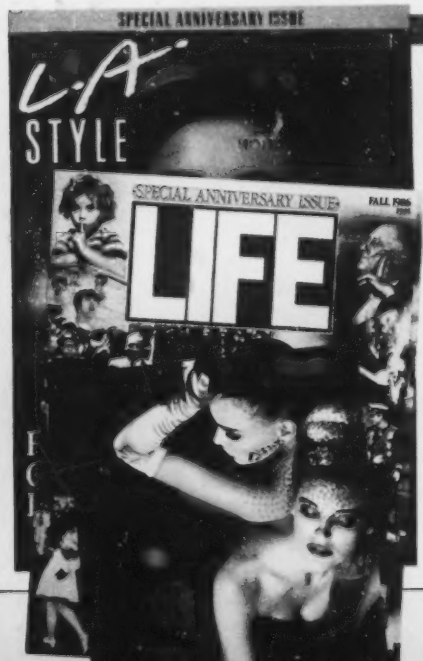
Folio:

NOVEMBER 1987 THE MAGAZINE FOR MAGAZINE MANAGEMENT $6.00

Editing on the edge of madness

What does it take to produce a magazine with real vitality and verve? Daniel Okrent, editor of *New England Monthly* and winner of two consecutive National Magazine Awards, offers 10 rules for editorial superiority. They are refreshing, demanding, provocative—sometimes outrageous. Okrent succeeds with this approach, but could you? **164**

PHOTOGRAPH BY ROBERT TOBEY



Society of Publication Designers Awards '87

FOLIO: showcases eight Gold Award recipients for outstanding magazine design of covers, story presentation, photography, with comments from the judges. **170**

Why *McCall's* breaks rates

Dale Lang tells the world why he is selling *McCall's* without a rate card, why he made the decision to do so, and why others shouldn't follow. **238**

Choosing the right auditing service

Understanding the differences between ABC and BPA audits will make it easier to know which to choose for your magazine. **181**

Strategic questions that help you sell ads

Consultant Helen Berman tells how to use questions to diagnose the client's needs and forward the action of the sale. **191**

November 1987

How well do you sell your magazine to advertisers? 42

Showing a magazine cover in a trade ad can be a "kiss of death," but touting your magazine's market improves reader recall.

Can magazine publishing operate in a large corporate environment? 198

More and more publishing companies are being acquired by large organizations. A magazine executive who went through the transition shares his experiences and points out several problems.

New paper alternatives 194

New developments in paper grades, including lightly treated coated and supercalendered paper, offer publishers the means to give readers and advertisers higher quality and more value.

Retailers pay attention to DPP 31

Now that wholesalers are spreading the good news about magazines' profitability, some retailers are thinking of expanding display space.

'Magalogs' hit the video market 119

With 40,000 new special interest videos flooding the market, magazine-catalog combinations are cashing in with video mail-order sales.

1987 circulation regains health 31

Subscription sales fattened up during the first half of the year, and single-copy sales improved.

UPDATE

'No call' option becomes law in Florida. 38

Postal Service upgrades NCOA. 52

Paper prices jump as inventories shrink. 67

Institutional Investor builds info franchise. 73

Catalogs and Yellow Pages compete for ads. 78

51% of weeklies delivered late. 88

Wall Street eyes media investments. 92

COLUMNS

Selling ad space against direct mail, by Josh Gordon. 211

Using a circulation kit, by Ron Scott. 214

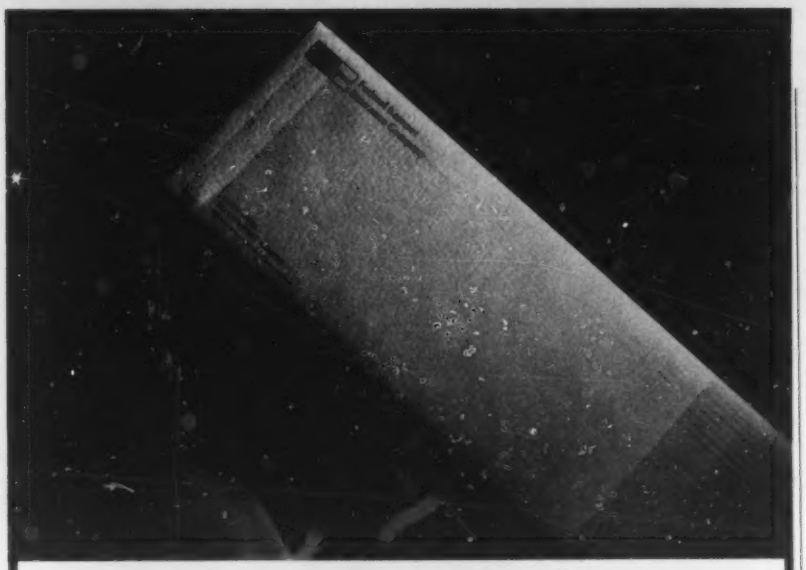
Laptop computers: Writing on the road, by Ruth Stidger. 217

To qualify or not to qualify subscribers, by Eliot Schein. 220

If an employee has AIDS, by Katherine Smith. 225

DEPARTMENTS

Briefings 15
Letters 21
Joe Hanson on Magazines 26
Update 31
Magazine People 107
Magazine Watch 119
List Watch 143
Calendar 161
Point of View 238



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Vol. 16 No. 11

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ABP ABC MPA

UPDATE

Wholesalers report positive reaction to DPP

Still in its infancy, the story of magazine profitability is off to a promising start

PHOTOGRAPH BY DANIEL PETERSEN

***Improving display space** is one goal of MPA's "road show" on magazine profitability. This case in a Watertown, Connecticut, convenience store was filmed by MPA as an example of good magazine display.*

So far, so good, is retailers' reaction to the news about magazine profitability, now being touted to executives at grocery and convenience store chains by key players in the magazine industry.

Magazines are the fourth most profitable item sold in convenience stores, and third most profitable in supermarkets, according to a recent Direct Product Profitability (DPP) study, which considered space allocation, labor costs and other factors in its findings. The study was researched by Touche Ross & Company for the Magazine Publishers Association (MPA).

For six months, "education teams" have taken the study on the road to food and convenience stores. Organized by MPA and the Council for Periodical Distributors Association (CPDA), each team includes an MPA staffer, a Touche Ross representative, a magazine publisher and a magazine wholesaler and distributor.

One chain that paid attention was Detroit-based Farmer Jack Supermarkets. The wholesaler that services 79 of its stores was given additional space in six stores for a three-month test, reports Dana Ludington, sales and marketing director for Ludington News Co., Inc., Detroit.

Even though "the buyer for Farmer Jack's is tough," Ludington says, he reacted favorably to the presentation and asked the team to stay an extra 45 minutes. In the end, the magazine display was increased from 8 feet to 18 feet.

"We are all very excited about DPP," he adds. "We finally have a tool that proves what we've been trying to say for years."

Another wholesaler reporting promising results is Portland News Co., Portland, Maine. One of its clients,

(CONTINUED ON PAGE 86)

1987 circulation: Is the slide over?

Even hard-pressed single-copy sales are enjoying a 1987 turnaround

Consumer magazine circulation is showing signs of health, according to a FOLIO: analysis of the semiannual Fas-Fax report, produced by the Audit Bureau of Circulations (ABC). More than 60 percent of 425 magazines marked overall circulation gains in the first half of the year, compared to 50.9 percent reporting gains one year ago. And the long-suffering single-copy category showed signs of recovery: 53.8 percent of 385 titles reported single-copy gains in units sold—a considerable increase over the 46.2 percent that noted growth in 1986.

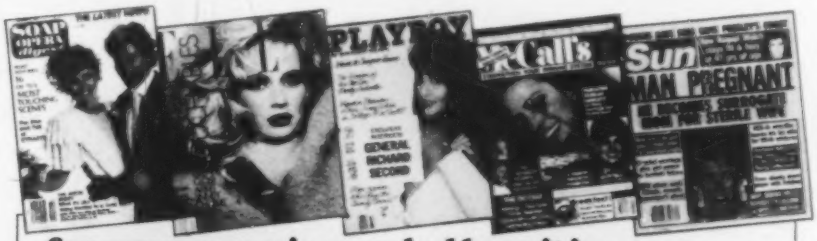
These signs were shored up by reassuring progress in unit sales. The total number of copies sold by the 425

Largest percentage gains, overall circulation, first half 1987

Magazine*	Total paid circulation	Percent gain**
1. *Good Food*	946,031	168.6
2. *American Demographics*	23,844	58.8
3. *TV Word Games*	60,083	56.0
4. *WWF Magazine*	212,890	54.6
5. *Elle*	719,238	52.4
6. *Women's Sports and Fitness*	300,708	51.7
7. *Alaska*	212,888	49.7
8. *Discover*	1,285,368	46.4
9. *Detroit Monthly*	57,347	42.3
10. *Connecticut Magazine*	93,087	36.4

Source: FOLIO: analysis of ABC Fas-Fax report, June 30, 1987
*Only magazines with publisher's statements in both time periods were considered
**Compared with the same six-month period in 1986

On a hot streak: *Three widely disparate magazines*—Elle, WWF Magazine *(published by the World Wrestling Federation) and* American Demographics—*were among the top 10 magazines in percentage circulation gain in the first half of 1987, as well as in the second half of 1986.*



Consumer magazines ranked by unit increase in single-copy sales, first half 1987

Magazine*	Single-copy circulation First half 1987	Unit increase**	Percent increase
1. *Soap Opera Digest*	645,980	178,847	38.3
2. *Elle*	434,154	147,405	51.4
3. *Playboy*	1,339,796	85,896	6.9
4. *McCall's*	677,891	79,297	13.2
5. *Sun*	435,002	75,001	20.8
6. *Self*	648,335	66,185	11.4
7. *Prevention*	204,091	59,915	41.6
8. *Woman's World*	1,397,107	59,766	4.5
9. *New Woman*	640,117	59,751	10.3
10. *WWF Magazine*	161,407	58,033	56.1

Source: FOLIO: analysis of ABC Fas-Fax report, June 30, 1987
*Only magazines with publisher's statements in both time periods were considered
**Compared with the same six-month period in 1986

The big surprise *in the single-copy arena for the first half of 1987 was* Playboy, *which orchestrated a major turnaround from the second half of 1986. Many retailers who had stopped selling the magazine last year in the wake of the Meese Commission report began to sell it again this year.*

magazines increased to 325,112,000 during the first half of this year—a 4.6 percent gain over the same period last year. Newsstand sales also racked up a 3.3 percent gain, to 88,632,000, although nine of the top 10 newsstand titles were down in sales. Subscription sales were up 5.1 percent, to 236,480,000.

Although subscription sales continue to outpace newsstand sales, the single-copy gains are particularly noteworthy. Even though many major magazines are down on the newsstand, more magazines, says circulation consultant E. Daniel Capell, are reporting single-copy gains than at any time during the past five years.

What do the slight overall gains mean for the industry? Circulation consultant Ron Moyer notes that, although many clients have regained circulation from last year's losses, "people are running hard to stay in place." But consultant David Foster believes that many publishers are simply playing it smarter, focusing on the value of their readers rather than simply increasing the total readership.

TV Guide takes top spot

TV Guide replaced *Reader's Digest* as the top-selling magazine in the United States, reporting a weekly average circulation of 17,281,955; *Reader's Digest*, which began cutting its rate base last year, missed ABC's reporting deadline, but says that its circulation was 16,849,550, down 2.6 percent from 1986. The other magazines leading in overall circulation are *Modern Maturity* (15,986,938), *National Geographic* (10,461,337), *Better Homes and Gardens* (8,093,630), *Family Circle* (5,994,327), *McCall's* (5,349,181), *Woman's Day* (5,263,894), *Good Housekeeping* (5,175,638) and *Ladies' Home Journal* (5,043,143).

Good Food, which absorbed the circulation of *Great Foods* magazine, enjoyed the largest percentage increase—rising 168 percent from 352,251 to 946,031. (This was also the third highest overall unit increase.) *Elle*, the French import published by Murdoch Magazines, boosted circulation by 247,406 (52.4 percent) to 719,238. The biggest gainer in unit circulation, *Modern Maturity* (published by the American Association of Retired Persons), increased by nearly 2.4 million to 15,986,938. Large increases were also

posted by *Discover* (up 407,562) and *TV Guide* (up 407,478). *Discover* was aided significantly by the purchase of the subscription lists of *Science Digest* and *Science '86*.

On the single-copy side, the largest gains were registered by *Soap Opera Digest* (up 178,847), *Elle* (up 147,405), *Playboy* (up 85,896) and *McCall's* (up 79,297).

Playboy's success is particularly notable, considering that the title had declined by over 700,000 units in newsstand sales during the second half of 1986. The magazine's executives say that retailers who had spurned the magazine are beginning to sell the title again. Other adult sophisticate titles were not so fortunate on the newsstand: *Cheri* dropped 15 percent, *High Society* fell by 4.0 percent and *Gallery* was down 7.5 percent.

Some successful categories

The Seven Sisters magazines, which make up many of the top-circulation titles, showed mixed results, as three titles gained circulation and four lost. *McCall's* had the largest increase, a modest 1.4 percent, while *Family Circle* suffered the biggest drop—8.5 percent.

General business magazines did well, as all the major titles enjoyed circulation boosts, and many marked single-copy gains. *Financial World*, up 30 percent, had the biggest jump in total circulation, while *Business Week* boosted its newsstand sales by an impressive 49.5 percent.

Many weeklies and biweeklies registered overall circulation gains, including *Newsweek, U.S. News & World Report, The New Yorker, Rolling Stone, People, TV Guide* and *Us*. *Time*, however, dropped 2.8 percent. *The New Yorker*, while up 5.7 percent overall, declined 12.7 percent in newsstand sales during a time of upheaval in its editorial staff.

Shelter magazines, by and large, prospered during the first half of 1987. *Architectural Digest, Country Home, Country Living, House Beautiful, Southern Living* and *Home* all raised overall circulation; *Home* led the pack with a 12.2 percent increase.

In men's magazines, *Esquire, Gentlemen's Quarterly* and *M* went up in overall circulation, but the two major sophisticate titles, *Playboy* (despite its single-copy success) and *Penthouse*, continued their decline. The former slid 5.9 percent, and the latter dropped 16.7 percent.

Penthouse also led declines in single-copy sales among the 10 best-selling newsstand magazines, diving 17.8 percent to two million copies. *Family Circle* (single-copy circulation 5,261,000) showed the second largest decline, 13.3 percent, and *Woman's Day* (5,181,000) dipped 7.0 percent. The single gainer in this category is *Globe*, which increased 2.2 percent to 1,595,000.□

Consumer magazines ranked by unit increase in subscription sales, first half 1987

Magazine*	Subscription circulation First half 1987	Unit increase**	Percent increase
1. *Modern Maturity*	15,986,938	2,389,608	17.6
2. *NRTA-AARP News Bulletin*	15,523,028	2,353,141	17.9
3. *Good Food*	554,399	552,767	3,870.5
4. *TV Guide*	8,887,994	447,093	5.3
5. *Discover*	1,107,779	379,471	52.1
6. *Home & Away*	1,694,125	351,940	26.2
7. *Star*	477,834	269,530	129.4
8. *Sports Illustrated*	2,988,364	249,940	9.1
9. *Family Circle*	732,470	246,208	50.6
10. *Newsweek*	3,005,995	143,190	5.0

Source: FOLIO: analysis of ABC Fas-Fax report, June 30, 1987
*Only magazines with publisher's statements in both time periods were considered
**Compared with the same six-month period in 1986

***Absorbing the circulation of** other magazines last year helped both* Good Food *and* Discover *post major subscription gains in the first half of 1987. The former acquired the readership of* Great Foods, *while the latter bought the subscription lists of* Science Digest *and* Science '86.

Florida limits telemarketing

Becomes first state to give residents 'no call' option

Tallahassee, Fla.—Florida recently became the first state to take tough measures against cold telemarketing calls to residents. Legislation, effective October 1, allows residents a "do not call" option in telephone directories. For 95 cents to $1.25 per month, residents may purchase a line after their names specifying no solicitation calls.

Telemarketers see difficulty complying with the bill, says Julie Crocker, director, state government affairs, Direct Marketing Association (DMA). Although the "no call" option will appear in the state's 71 directories, telemarketers generally get names from list sources other than directories, Crocker says. The new law thus forces them to match lists to telephone directories, a time-consuming and costly process.

The law will prove especially troublesome for out-of-state telemarketers, she adds. Although the bill does not specifically address non-Florida marketers, Crocker asserts that they must comply.

Publishers might also note that the law exempts newspapers from compliance, but not magazines.

The law also prohibits telemarketers from calling unpublished num-

bers. In addition, telemarketing representatives must immediately identify themselves and the companies they represent, and, within the first 30 seconds of the call, must ask consumers if they are interested in listening to a sales presentation.

The DMA discussed alternative measures with legislators before the bill went into effect, says Crocker. One proposal would have added Florida residents who do not want calls to the DMA's "telephone preference service" list, which currently contains 50,000 names. Telemarketers can match this list against their own calling lists.

The DMA also favored Washington state's policy, which allows residents to tell a telemarketer not to call again. Telemarketers are responsible for complying, Crocker explains.

Threats from other states

Other states that have proposed "no solicitation" telemarketing legislation include Illinois, Minnesota, New Jersey, New York and Oregon. To date, no laws have been passed in those states, says Mary Ann Falzone, editor and publisher of *Telemarketing Management Magazine*, Keyport, New Jersey.

Although civil penalties for violating the Florida law may be as high as $10,000 per violation, both Crocker and Falzone speculate that it will be difficult for Florida to enforce the law.

Revisions may be considered in next year's session, says H. Fred Varn, staff director for the state legislature's commerce committee. Although telemarketers haven't yet asked the state government to amend the bill, "certain groups want to look at this," Varn says.□

Advertising magazines: What works?

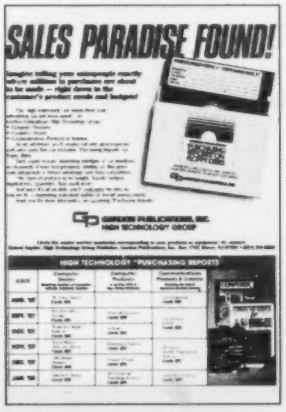
Showing a magazine cover is 'kiss of death' for many trade ads, according to study on reader recall

Chicago—How effective are magazine publishers when it comes to advertising their own publications? Not terribly, according to a new agency study—and business magazine publishers are particularly ineffective. Most print ads aimed at advertisers and agencies, the study states, often say too much about the magazine itself and too little about its all-important market that advertisers want to reach.

The study measured readers' recall of 200 ads run by 60 magazines from 21 publishing companies during an 18-month period. Conducted by USA Chicago Inc., an advertising agency with a number of business magazine clients, the study analyzed readership surveys done by independent research firms for *Advertising Age, Business Marketing, Inside Print, Sales & Marketing Management* and *Marketing and Media Decisions*. (*Adweek* was not included.)

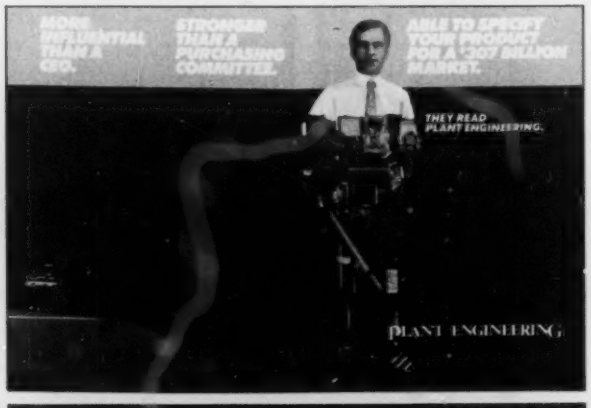
The results confirmed some widely held beliefs about magazine trade advertising—and about print advertising in general: Four-color is more effective than black-and-white, and spreads work better than single pages. The study also revealed that, all else being equal, ads that focus on the market covered by the magazine scored higher in terms of reader (in this case,

19% recall



28% recall

The message, not the medium: *McGraw-Hill and* Plant Engineering *scored high in reader recall by explaining how they reached their advertisers' markets; Gordon Publications' ad, by contrast, featured an unmemorable focus on ancillary products and magazine covers.*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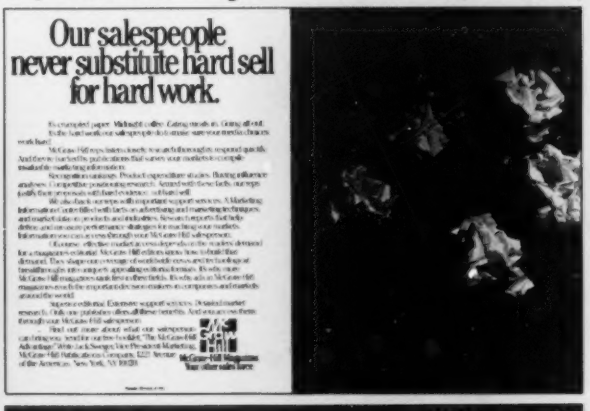
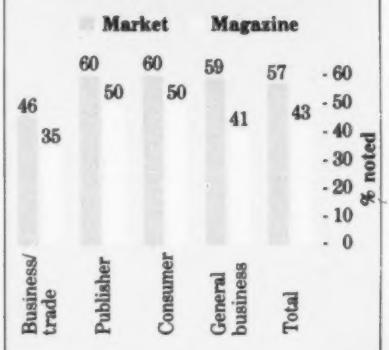
STRONGER THAN A PURCHASING COMMITTEE.
ABLE TO SPECIFY YOUR PRODUCT FOR A $107 BILLION MARKET.
THEY READ PLANT ENGINEERING.
PLANT ENGINEERING

62% recall



90% recall

Recall of ads showing magazines and markets



Source: USA Chicago Inc.

***Ads that portrayed** a magazine's market scored higher in reader recall than trade ads that featured only a magazine's cover.*

advertiser) recall than ads that simply spotlight the magazine's cover.

This held true for all categories of magazines. "Showing a cover in a trade ad is the kiss of death," says Patrick Yanahan, president and CEO of USA Chicago. Agency people and their clients "don't want to buy magazines, they want to buy markets."

A few examples: *Money*'s effective four-color ads show its readers in an "affluent situation," notes Yanahan. Similarly, McGraw-Hill's Magazine Group ad, without a cover in sight, earns 90 percent recall with a photo of crumpled paper and copy that discusses how hard the group's sales reps work in supporting advertisers. Earning 62 percent recall is a *Plant Engineering* spread showing a reader "created" from engineering products.

At the low end of the scale are a two-color page for Gordon Publications, Inc., showing a floppy disk, several covers and a chart of purchasing reports (28 percent recall), and a four-color page for *Network World*, showing several covers, a coupon and the head, "The Network is the future . . . " (19 percent recall).

In all, magazine recall averaged about 57 percent for ads showing markets, and about 43 percent for ads showing covers.

The irony of the study, continues Yanahan, is that magazine publishers, who are expert at delivering markets to

1833

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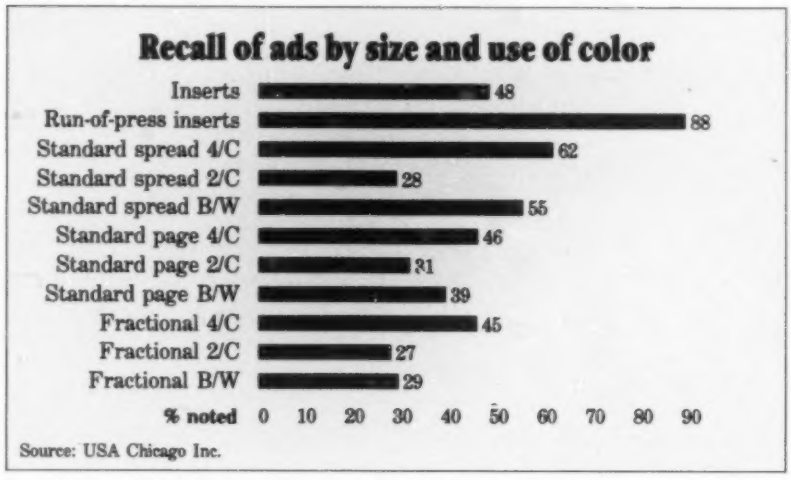
Recall of ads by size and use of color
Inserts 48
Run-of-press inserts 88
Standard spread 4/C 62
Standard spread 2/C 28
Standard spread B/W 55
Standard page 4/C 46
Standard page 2/C 31
Standard page B/W 39
Fractional 4/C 45
Fractional 2/C 27
Fractional B/W 29
% noted 0 10 20 30 40 50 60 70 80 90
Source: USA Chicago Inc.

***Two-color ads stumble** when it comes to reader recall, according to the USA Chicago Inc. study. Reflecting conventional wisdom, the study also proves that spreads are more memorable than full-page ads, which, in turn, fare better than fractionals.*

advertisers, often falter in delivering their own messages.

Consumer magazine ads scored highest in the study, with about 57 percent recall, whereas ads for business-to-business titles scored lowest, with about 41 percent recall. Falling between were ads for general business titles and for publishers with two or more titles, each scoring about 56 percent recall.

No correlation appears to exist between the size of a publishing company and the effectiveness of its ads. In fact, smaller publishing companies did better as a group than larger ones: A publisher with one title scored about 77 percent recall, while a publisher with 37 magazines had about 26 percent recall. At fault, Yanahan says, is the larger firms' lack of "corporate quality control" over individual titles, which leaves each title to follow its own ideas on trade advertising.

The study findings confirm ad agency executives' sentiments on what makes an effective consumer trade ad. Paul Zuckerman, media executive at DDB Needham Worldwide Inc., says that magazine trade ads should show how the magazine's readers are involved with the publication—"how you're going to move products."

Redbook's impressive trade campaign, he points out, depicts a woman balancing her career and family demands, dubbing her a "juggler." Such a lifestyle, he says, "represents a good opportunity for fast-food chains or fitness-equipment firms," notes Zuckerman. On the other hand, *Better Homes and Gardens*' less effective campaign, which shows a magazine cover, doesn't clearly indicate the market that advertisers would reach, he asserts.□

Publishers Ask Spectrum:
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NCOA cleans up its act

Address-correction service expands database and offers nixie feature—but will publishers respond?

The U.S. Postal Service recently upgraded its year-old National Change of Address (NCOA) service, which, users say, should make it a more effective tool for updating publishers' mailing lists.

NCOA, designed to correct mailers' addresses before mailing, will now hold address changes for up to 36 months, instead of the previous limit of 18 months. This change will, in effect, double the size of the database by February 1989. The file currently holds about 30 million address changes.

A nixie elimination file that allows mailers to flag address changes on their

is also prohibited in some states.

Worth the price?

Job applicants at Capital Cities/ABC are tested at local clinics selected by the company, and urine samples are analyzed by Psychiatric Diagnostics Lab in New Jersey. If an applicant tests positive for drugs (which include cocaine, marijuana, heroin, barbiturates and amphetamines, but not prescription drugs that the candidate advises the company about in advance), a second, more rigorous test is conducted within 48 hours. This test, which uses gas chromatography/mass spectrometer technology, is completely accurate in detecting the presence of drugs, Rubin claims. "We couldn't go ahead with the program unless we had 100 percent reliable results," she says.

Rubin declined to reveal the cost of the drug testing program except to say it was "significant." Times Mirror pays $100 per person for a drug test and physical exam, says George Moskowitz, director of human services.

Of course, drug testing is not without controversy. Katherine Smith, a personnel consultant with clients in the publishing industry, says that the tests are too expensive and results inconclusive.

"Drug testing companies won't guarantee the results," she says. "If you don't have a guarantee from a company, what do you have?" In one case, she says, an applicant sued an ad agency because the company rejected him after a positive test result. The agency later found that it had mixed up that applicant's results with another applicant's. The plaintiff was hired, but "a lot of bad feelings" resulted.

Lee counters, however, that the state-of-the-art testing technology produces reliable results, and that Times Mirror audits testing labs to ensure that they are doing their job. "The worst thing is to have an inaccurate result and then not offer someone a job," she says. For further protection against lawsuits, job applicants are told immediately about the tests and are asked to sign a release form.

As a result, Times Mirror, which has implemented drug tests at all of its subsidiaries since January, has yet to have any legal challenges to its program, says Lee. "The courts have balanced an individual's right to privacy against the duty of employers to have a safe work place," she believes.□

Paper prices rise 5% as supplies tighten

But new paper machines could balance increased demand for coated paper

Lightweight coated groundwood prices leaped just over 5 percent early last month as paper mills took advantage of a midsummer spurt in demand and subsequent tight supplies. Following close on a July 1 increase, the latest hike means that prices for coated No. 5 basis weights, commonly used by magazines, have shot up nearly 15 percent from May's list price lows.

As of October 1, the price of 40-lb. coated No. 5 rose $40 per ton to $780 per ton. In early August, prices for No. 4 and No. 3 coated free sheet (which together account for about 6.3 percent of magazine paper use) took a similar jump.

Paper buyers, stunned by the rapid succession of increases, say they expect prices to hold through the winter months, but to increase again as early as the second quarter, when the 1988 Olympics and elections will stimulate demand. Noting, too, that magazine advertising is "inching its way back up," Alan Kavasch, senior vice president at paper merchant Lindenmeyr Central, says, "There's no reason why we couldn't have another increase if demand holds. The paper companies have got to get [increases] when they can."

An encouraging sign for publishers, however, is that projections last spring called for significant coated-paper overcapacity in 1988. This is because several new paper machines are coming on line. That capacity should,

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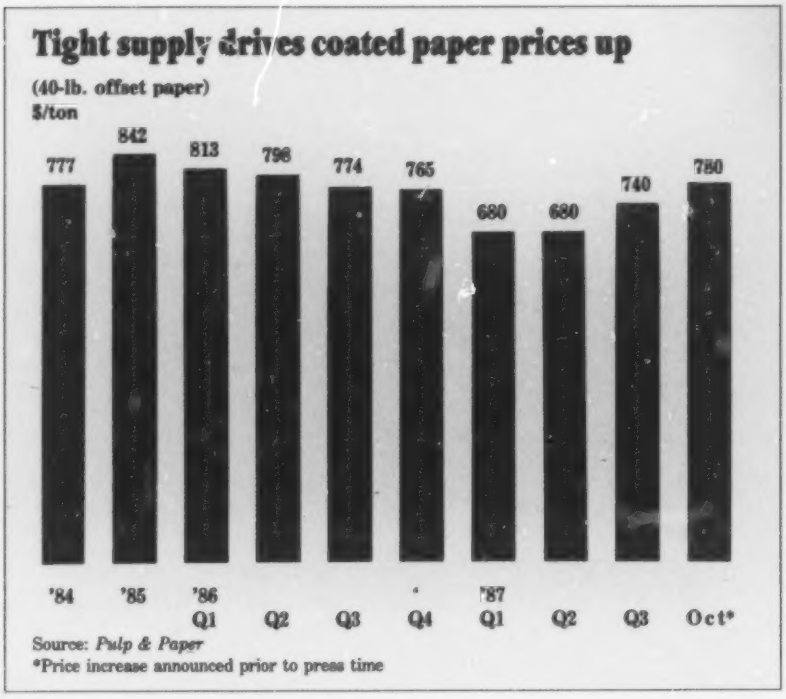

***List price increases** implemented July 1 and October 1 put price levels back to what they were a year ago, with expectations that they may rise again by the second quarter.*

at least, balance increased demand and hold down price increases, according to sources.

"We used to view the Pine Bluff mill as the one that was going to muddy the waters and throw capacity out of balance," says Richard Brown, vice president, publication paper sales for paper merchant Alling and Cory. "But now the situation is, 'what are we going to do without it?' "

Panic in the paper market

At this point, however, paper mills are struggling to rebuild price levels after more than 18 months of decline, say paper merchants and buyers at major magazines. Soft demand led to deep, industry-wide price discounting—even as pulp prices reportedly rose dramatically.

Tight supply resulted in the October increase, says Brown. What's more, labor and production problems, low consumer inventories, threatened strikes, paper shortages and continued foreign competition all hurt the coated-paper market.

Since midsummer many mills have sold coated groundwood papers on allocation, even turning away new customers. This came about, sources say, because of a rash of seasonal catalog paper buys, which sent a ripple of panic through publication paper buyers. Many had let inventories dwindle during the soft-price period, holding out for even lower prices before placing further orders. Rumors of price increases, followed by actual price hikes, sent many scurrying to rebuild inventories, which strangled supply.

For a number of reasons, says Brown, the mills are failing to bring up supply. Persistent manufacturing problems and maintenance shutdowns are plaguing some major facilities, while other mills, including International Paper and Bowater, have had trouble getting new machines to run at capacity on schedule.

Uncertain labor climate

An uncertain labor climate complicates matters. A strike at International Paper's Androscoggin plant led to operating slowdowns that may have caused some publishers and printers to accelerate orders, says Brown. At press time, similar labor problems were hitting other mills at IP and Hammermill Paper Company. At best, Brown said in September, mill production is currently at about 80 percent of full

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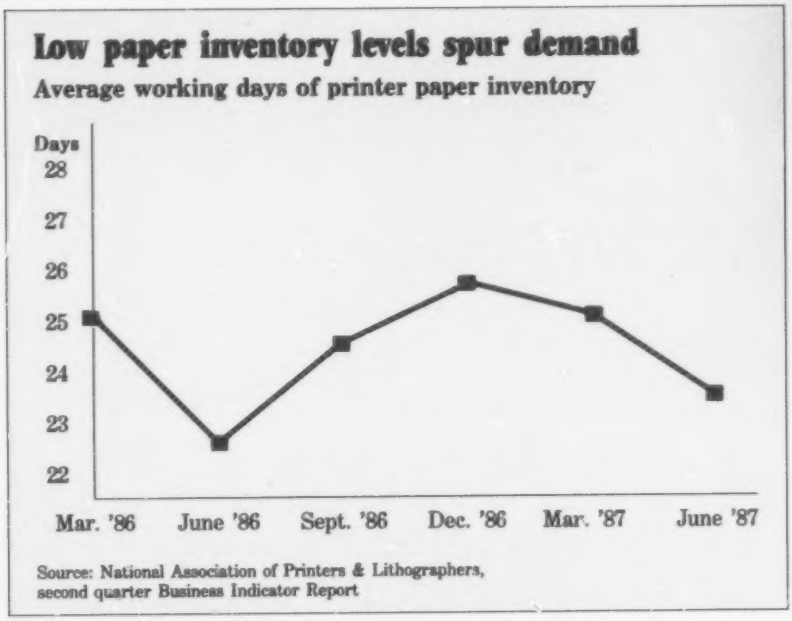

***Many publishers and printers** allowed inventories to dwindle, some in anticipation of lower prices. Rumors of shortages set off a rush of orders that, combined with labor and production problems, resulted in tight supply and higher prices.*

capacity.

Problems could increase at other mills, Joel Reiss, director of materials, *Newsweek*, noted in September. National labor unions, he said, had sought to exert the bulk of their influence in negotiations on IP contracts, scheduled to expire in September. Those settlements could have a major impact on negotiations at Crown Zellerbach, Fraser and Midtec. Although many coated-paper mills have already agreed to contracts, a worst-case scenario, says Brown, could bring chaos.

"If not for that potential," adds Kavasch, "demand would not be so high."

Foreign supply still rising

Supply uncertainty has also increased foreign-paper demand. According to Norman Wiener, Walker Wiener Associates, sales of high quality foreign coated papers rose to 4.5 percent of U.S. consumption in the first five months of 1987—despite the dollar's fall. In some instances, foreign supply filled in for cuts in shipments by domestic suppliers. Brown, however, sees the overall trend moving away from expensive foreign sources, which shifts an additional supply burden to domestic suppliers.

Also straining supply is the fact that the price of newsprint and supercalendered paper has been gaining on coated No. 4 and No. 5—encouraging some publishers to upgrade to the lower-grade coated groundwoods.

Supply shortages have been difficult for buyers, but, for the most part, not detrimental. Tight allocation, however, has made it tough for Reiss and others to maintain a "prudent" inventory level. Reiss notes, too, that the biggest blow was dealt to publishers and printers who had allowed inventories to dwindle below a 30-day supply. Some are now forced to borrow from other publishers and printers.

Merchants, too, have had trouble securing supply, which, in turn, has hurt magazines. Some mills, for example, have reduced allocations to Alling and Cory. "A number of specialty magazines live and die by our ability to supply them with paper," Brown says, "and we've had to make some judgments on who gets paper." At times, the merchant has borrowed from some customers to fill orders for others, but no core customers, Brown says, have gone without paper.

Uncertainty, say sources, remains the dominant factor in the market. Some now doubt that ad sales will rise as expected in 1988, while capacity remains an unsettling question.□

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ers weren't very profitable, the chain's own profit analysis claims that lighters are, in fact, lucrative.

Obviously, Alleger says, the profitability of a certain item depends on how it is promoted. Since the Touche Ross study was based on several stores within a grocery chain, he points out, executives at other chains are not automatically willing to apply the results to their own stores.

Changing accounting habits

At another battle front, he adds, are food and convenience stores that are still unfamiliar with DPP accounting, and continue to measure profitability strictly by gross revenues. However, now that industry trade magazines and trade associations are spreading the word about DPP, he says, magazines may be successful in gaining more space in those stores.

To help the educational effort along, the MPA and CPDA have funded production of a videotape that tells the story of DPP. The two associations are also supplying members with four-color brochures on the study that can be given to retailers.

Presently, MPA is informing top management at 30 major supermarket chains about DPP, with the goal of maintaining or expanding magazine space. MPA particularly stresses the importance of front-end space because a magazine purchase is often an impulse buy. Eventually the MPA wants to get the message to regional and even local store managers, says Lee.□

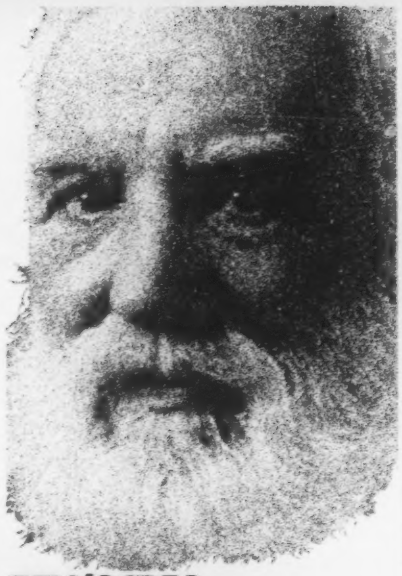
More than half of weeklies delivered late

Fifty-one percent of weekly publications were delivered late during second quarter 1987. Of those, 23 percent were delivered more than one day late. Philadelphia and New Orleans tied for worst delivery: Each had 37 percent of weeklies delivered two or more days late. Meanwhile, Detroit and San Francisco boasted 70 percent on-time delivery.

Publications delivery box score:
Weekly second class publications, April 1-June 30, 1987

City/Zip Code	On time	1 day late	Later
Composite average*	**49%**	**28%**	**23%**
Boston (021)	53	25	22
New York (100)	58	28	14
Buffalo (142)	68	22	10
Pittsburgh (152)	43	30	27
Philadelphia (191)	31	32	37
Washington, D.C. (200)	45	29	26
Atlanta (303)	35	31	34
Miami (331)	50	31	19
Memphis (381)	50	25	25
Cincinnati (452)	38	40	22
Detroit (482)	70	16	14
Milwaukee (532)	59	22	19
Minneapolis (554)	65	24	11
Chicago (606)	51	31	18
New Orleans (701)	29	34	37
Dallas (752)	49	34	17
Houston (770)	42	37	21
Denver (802)	38	33	29
Phoenix (850)	53	36	11
Los Angeles (900)	64	20	16
San Francisco (940)	70	18	12
Seattle (981)	66	18	16

*Including other U.S. cities and SCFs not listed.
Source: Red Tag News Publications Association, Inc.



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